

sponsible national conversation about how to move forward together and create equal opportunity.

The Supreme Court has raised the hurdle, but it is not insurmountable. Make no mistake: The Court has approved affirmative action that is narrowly tailored to achieve a compelling interest. The constitutional test is now tougher than it was, but I am confident that the test can be met in many cases. We know that from the experience of State and local governments, which have operated under the tougher standard for some years now.

Some weeks ago, I directed my staff conducting the review of Federal affirmative action programs to ask agencies a number of probing questions about programs that make race or sex a condition of eligibility for any kind of benefit. What, concretely, is the justification for this particular program? Have race and gender-neutral alternatives been considered? Is the program flexible? Does it avoid quotas, in theory and in practice? Is it transitional and temporary? Is it narrowly drawn? Is it balanced, so that it avoids concentrating its benefits and its costs? These are tough questions, but they are the right policy questions, and they need answers.

I have instructed the team conducting the administration's affirmative action review to include an analysis of the *Adarand* decision and its implications in their report.

Message to the Congress Transmitting the Report of the Department of Housing and Urban Development

June 13, 1995

To the Congress of the United States:

Pursuant to the requirements of 42 U.S.C. 3536, I transmit herewith the 29th Annual Report of the Department of Housing and Urban Development, which covers calendar year 1993.

William J. Clinton

The White House,
June 13, 1995.

Address to the Nation on the Plan To Balance the Budget

June 13, 1995

Good evening. Tonight I present to the American people a plan for a balanced Federal budget. My plan cuts spending by \$1.1 trillion. It does not raise taxes. It won't be easy, but elected leaders of both parties agree with me that we must do this, and we will.

We're at the edge of a new century, living in a period of rapid and profound change. And we must do everything in our power to help our people build good and decent lives for themselves and their children.

These days, working people can't keep up. No matter how hard they work, one, two, even three jobs, without the education to get good jobs, they can't make it in today's America. I don't want my daughter's generation to be the first generation of Americans to do worse than their parents. Now, balancing our budget can help to change that, if we do it in a way that reflects our values and what we care about the most: our children, our families, and what we leave to generations to come.

That's why my budget has five fundamental priorities. First, because our most important mission is to help people make the most of their own lives, don't cut education. Second, balance the budget by controlling health care costs, strengthening Medicare, and saving Medicaid, not by slashing health services for the elderly. Third, cut taxes for the middle class and not the wealthy. We shouldn't cut education or Medicare just to make room for a tax cut for people who don't really need it. Fourth, cut welfare, but save enough to protect children and move able-bodied people from welfare to work. Fifth, don't put the brakes on so fast that we risk our economic prosperity.

This can be a turning point for us. For 12 years our Government—Congress and the White House—ducked the deficit and pretended we could get something for nothing. In my first 2 years as President, we turned this around and cut the deficit by one-third. Now, let's eliminate it.

It's time to clean up this mess. Here's how: First, I propose to cut spending in discretionary areas other than defense by an aver-

age of 20 percent, except education. I want to increase education, not cut it. We'll continue to cut waste. Under Vice President Gore's leadership, we're already cutting hundreds of programs and thousands of regulations and 270,000 Federal positions. We'll still be able to protect the environment and invest in technology and medical research for things like breast cancer and AIDS. But make no mistake, in other areas there will be big cuts, and they'll hurt.

Second, we should limit tax cuts to middle income people, not upper income people, and target the tax cuts to help Americans pay for college, like we did with the GI bill after World War II. Let's help a whole new generation of Americans go to college. That's the way to make more Americans upper income people in the future.

Third, don't cut Medicare services to the elderly. Instead of cutting benefits, maintain them by lowering costs. Crack down on fraud and abuse, provide more home care, incentives for managed care, respite benefits for families of Alzheimer's patients, and free mammograms. For all Americans, I propose the freedom to take your insurance with you when you change jobs; to keep it longer after you lose a job; insurance coverage, even if there are preexisting conditions in your family; and lower-cost insurance for groups of self-employed and small business people. If we don't have tax cuts for upper income people, as congressional leaders have proposed, we won't need to make harsh cuts in health care or in education.

Finally, balance the budget in 10 years. It took decades to run up this deficit; it's going to take a decade to wipe it out. Now mind you, we could do it in 7 years, as congressional leaders propose. But the pain we'd inflict on our elderly, our students, and our economy just isn't worth it. My plan will cut the deficit year after year. It will balance the budget without hurting our future.

This budget proposal is very different from the two passed by the House and the Senate, and there are fundamental differences between Democrats and Republicans about how to balance the budget. But this debate must go beyond partisanship. It must be about what's good for America and which approach is more likely to bring prosperity and

security to our people over the long run. We ought to approach it in the same spirit of openness and civility which we felt when the Speaker and I talked in New Hampshire last Sunday.

There are those who have suggested that it might actually benefit one side or the other politically if we had gridlock and ended this fiscal year without a budget. But that would be bad for our country, and we have to do everything we can to avoid it. If we'll just do what's best for our children, our future, and our Nation, and forget about who gets the political advantage, we don't go wrong.

Good night. Let's get to work.

NOTE: The President spoke at 9 p.m. from the Oval Office at the White House.

Remarks Prior to a Meeting With Congressional Leaders and an Exchange With Reporters

June 14, 1995

Plan to Balance the Budget

The President. I'd like to, if I might, just say a couple of words. First of all, I want to thank Senator Daschle, Senator Moynihan, Senator Breaux, Senator Mikulski for coming here today to discuss welfare with the Vice President and me and Governor Romer and Secretary Shalala.

Last night I laid before the Nation my plan to balance the budget in 10 years in a way that is consistent with the long-term prosperity of the American people and our fundamental interests. And one of the priorities I stated was pursuing the right kind of welfare reform. I still believe that the Republican bill is too tough on children and too weak on work and runs the risk of undermining our fundamental commitment to the welfare of children without moving people from welfare to work.

I want to endorse today the bill authored by Senators Daschle, Breaux, and Mikulski because it does meet those criteria. It is—it supports work. It supports doing the things that are necessary to get people into the work force and protecting children, especially dealing with the child care issues and requiring States to continue to support the children